

CONFLICTS OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974
(GOVERNMENT CODE SECTION 87100, ET SEQ.)I. Adoption

THOMAS J. PASTUSZKA
CLERK OF THE BOARD
OF SUPERVISORS

The Governing Board hereby adopts this Conflict of Interest Code (Code), which shall apply to all governing board members, candidates for member of the board, and all other designated employees of the Darnall Charter School ("School").

II. Definitions

"Designated Employees" are employees of the School, Board members and candidates, who hold positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest. The designated positions are listed in Exhibit "A" attached to this policy and incorporated herein by reference.

"Common Directors" are those Board members that sit on the Board of Directors of the School and the board of directors of another corporation with which the School is considering entering a contract or transaction.

"Interested Directors" are those Board members, or their family members, compensated by the School for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as director. Family members include parents, children and siblings, and their respective spouses, children, domestic partners and siblings.

III. Disclosure Statements

A. Statement of Economic Interest

Each designated employee, including governing board members and candidates, shall file a Statement of Economic Interest ("Statement") at the time and manner prescribed below, disclosing reportable investments, interests in real property, business positions, and income required to be reported under the category or categories to which the employee's position is assigned in Exhibit A.

An investment, interest in real property or income shall be reportable if the business entity in which the investment is held, the interest in real property, the business position, or source of income may foreseeably be affected materially by a decision made or by participation in the decision by the designated employee by virtue of his or her position. The specific disclosure responsibilities assigned to each position are set forth in Exhibit B.

Contents of Statements

Initial Statements: Initial Statements shall disclose any reportable investments, interests in real property, business positions held on the effective date of the Code and income received during the twelve (12) months prior to the effective date of the Code.

Assuming Office Statements: Assuming Office Statements shall disclose any reportable investments, business positions, interests in real property held on, and income received during the 12 months before the date of assuming office or the date of being appointed or nominated.

Annual Statements: Annual Statements shall disclose reportable investments, business positions, interests in real property and income held or received at any time during the previous calendar year or since the date the designated employee took office if during the calendar year.

Leaving Office Statement: Leaving Office Statements shall disclose reportable investments, business positions, interests in real property and income held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.

Timing of Filings

An initial Statement shall be filed by each designated employee within 30 days after the effective date of the Code. Thereafter, each new designated employee shall file a Statement within 30 days after assuming office. Each designated employee shall file an annual Statement 30 days after the charter school's annual meeting. Every designated employee who leaves office shall file a Statement within 30 days of leaving office.

Statements Filed With the Charter School

All Statements shall be supplied by the Charter School on forms prescribed by the Fair Political Practices Commission. All Statements shall be filed with the Charter School. The Charter School's filing officer shall make and retain a copy and forward the original to the County Board of Supervisors.

B. Common Director Disclosure Statement

At the commencement of an individual's term with the Charter School and at the beginning of each fiscal year, each Board member shall complete a Common Director Disclosure Statement and provide it to the Charter School identifying all organizations for which he/she is a board member or committee member that are not otherwise disclosed in the Statement of Economic Interest.

IV. Disqualification

Designated Employees: No Designated Employee may make, participate in making, or in any way use or attempt to use his/her official position to influence any Charter School decision which he/she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the Designated Employee or a member of his or her immediate family on:

- Any business entity or real property in which the designated employee has a direct or indirect investment or interest worth two thousand dollars (\$2,000) or more.
- Any source of income totaling five hundred dollars (\$500) or more provided or promised to the designated employee within twelve months prior to the decision. (This category does not include gifts or loans made at regular rates by commercial lending institutions.)

- The designated employee's personal finances or those of his/her immediate family. A decision will have an effect on this economic interest if the decision will result in the personal expenses, income, assets or liabilities of the designated employee or his/her immediate family increasing or decreasing.
- Any business entity in which the designated employee is the director, officer, partner, trustee, employee, or any kind of manager.
- Any business entity that is a parent or subsidiary of, or is otherwise related to, a business entity in which the designated employee has an interest.
- Any donor, or intermediary or agent of a donor, of gifts totaling \$360 or more in value provided to, promised to, or received by the designated employee within twelve months prior to the time when the decision is made.

No Designated Employee shall be prevented from making or participating in any decision to the extent that his/her participation is legally required for the decision to be made. (The need to break a tie vote does not make the Designated Employee's participation legally required.)

Common Directors: No Common Director may make, participate in making, or in any way use or attempt to use his/her official position to influence any Charter School decision which involves the Common Director's other directorship.

Interested Directors: Not more than 49 percent of the persons serving on the Board of the Charter School may be Interested Directors.

Manner of Disqualification

Designated Employees: When a designated employee determines that he/she should not make a decision because of a disqualifying interest, he/she should submit a written disclosure of the disqualifying interest to his/her immediate supervisor. The supervisor shall immediately reassign the matter to another employee and shall forward the disclosure notice to the Charter School Director, who shall record the employee's disqualification. In the case of the Charter School Director, this determination and disclosure shall be made in writing to the Governing Board.

Governing Board members shall orally disclose a disqualifying interest at the meeting during which consideration of the decision takes place. This disclosure shall be made following the announcement of the agenda item, but before the discussion or vote commences. This disclosure shall be made part of the Board's official record. The disqualified Board member shall then refrain from participating in the decision in any way, but may remain seated if desired.

If the decision is made during a closed session, the member's disqualification may be made orally during the open session before the body goes into closed session and shall be limited to a declaration that his/her recusal is because of a conflict of interest under Government Code section 87100. The declaration shall be made part of the official public record. The member shall not be present when the decision is considered in closed session or knowingly obtain or review a recording or any other non-public information regarding the decision.

The following must be confirmed in the affirmative prior to the Board's acceptance of a contract or transaction with a Designated Employee or Common Director:

- That the transaction is entered into for the benefit of the Charter School;
- That the transaction was fair and reasonable for the Charter School at the time it enters into the transaction;
- That after reasonable investigation under the circumstances, the Board determines, in good faith, that the Charter School could not have obtained a more advantageous arrangement with reasonable effort. Documentation of the results of the investigation shall be retained either in the Board minutes and/or in the school's financial files.

Disqualified Designated Employees and Common Directors shall not be counted toward achieving a quorum while the item is discussed.

Adopted: September 9, 2008

Amended:

EXHIBIT A
Designated Positions

- I. Persons occupying the following positions are designated employees and must disclose financial interests in all categories defined in Exhibit B (i.e. categories 1, 2, and 3).
 - A. Members of the Governing Board
 - B. Candidates for Member of the Governing Board
 - C. Members of Committees of the Governing Board¹
 - D. Director of Charter School
 - E. Assistant Director
 - F. Chief Business Officer
 - G. Director of Personnel Services
 - H. Assistant Director of Personnel Services
 - I. Consultants²
 - J. Other Employees³
- II. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 1 of Exhibit B.
 - A. Purchasing Manager
 - B. Assistant Business Officer
 - C. Other Employees⁴
- III. Persons occupying the following positions are designated employees and must disclose financial interests defined in Categories 2 and 3 of Exhibit B.
 - A. Information Systems Technician
 - B. Contractor
 - C. Other Employees⁵

¹ This category must be included if the committee has members that are not otherwise covered by the other identified categories and the committee possesses decision making authority. Decision making authority is present when the committee: a. may make a final decision; b. may compel a governmental decision or it may prevent a decision either by reason of an exclusion power to initiate the decision or by reason of a veto that may not be overridden; or c. makes substantial recommendations that are, and over an extended period have been, regularly approved without significant amendment or modified by another designated employee.

² A consultant will occupy a "designated position" when he/she is contracting with the agency to do the following: 1) Make a governmental decision wither to, among other things, (a) authorize the agency to enter into, modify or renew a contract provided it is the type of contract that requires agency approval; (b) grant agency approval to a contract that requires agency approval and to which the agency is a party, or to the specifications for such a contract; (c) grant agency approval to a plan, design, report, study or similar item; or (d) adopt or grant agency approval of, policies, standards or guidelines for the agency or for any subdivision thereof; or 2) Serve in a staff capacity with the agency and in that capacity participates in making a governmental decision or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a designated position.

³ "Other Employees" include any employee occupying a position that requires the employee to make a governmental decision that foreseeably and materially affects a personal financial interest, source of income, or a business position in a business entity.

⁴ "Other Employees" include any employee with authority to make purchases that may foreseeably and materially affect an investment and/or business position in business entities or who are in a position to influence a governmental decision that may foreseeably and materially affect an investment and/or business position in a business entity.

⁵ "Other Employees include employees with authority to make purchases that may foreseeably and materially effect investments and business positions in business entities which provide services, supplies, materials, or equipment in which the employee has authority to purchase."

EXHIBIT B
Disclosure Categories

Category 1 Reporting:

- A. Interest in real property which is located in whole or in part either (1) within the geographical service area of the School, including any leasehold, beneficial or ownership interests or option to acquire such interest in real property, if the fair market value of the interest is greater than \$2,000.

(Interests in real property of an individual include a business entity's share of interest in real property of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a ten percent interest or greater.)

- B. Investments in or income from persons or business entities which are contractors or sub-contractors which are or have been within the previous two-year period engaged in the performance of building construction or design within the geographical service area of the School.

- C. Investments in or income from persons or business entities engaged in the acquisition or disposal of real property within the geographical service area of the School.

(Investment includes any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership interest or other ownership interests.)

(Investments of any individual include a pro rata share of investments of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly or beneficially, a ten percent interest or greater.)

(Investment does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency.)

(No investment or interest in real property is reportable unless its fair market value exceeds \$2,000. No source of income is reportable unless the income received by or promised to the public official aggregates \$500 or more in value or \$50 or more in value if the income was a gift during the preceding 12-month reporting period.

Category 2 Reporting:

- A. Investments in or income from business entities which manufacture or sell supplies, books, machinery or equipment of the type utilized by the department for which the designated employee is Manager or Director. Investments include interests described in Category 1.

Category 3 Reporting:

- A. Investments in or income from business entities which are contractors or sub-contractors engaged in the performance of work or services of the type utilized by the department for which the designated employee is Manager or Director. Investments include the interests described in Category 1.

Zurita, Teresa

From: Carol Hill [chill@darnallcharter.org]
Sent: Wednesday, April 24, 2013 3:09 PM
To: Zurita, Teresa
Cc: David Yeager; Leslie Dahab
Subject: Form 700's
Attachments: Darnall Form 700.pdf; Darnall Conflict of Interest Policy.pdf

Hi Teresa,

Per your phone call with David Yeager, I have attached Darnall's Conflict of Interest Policy and the form 700's.
Please let me know if you need the originals.

Regards,
Carol

--

Carol Hill
Darnall Charter School
Executive Assistant
619-582-1822
619-287-4732 Fax